

## **UTELCO, INC.**

### **JANUARY 1, 2002 INTERSTATE END USER ACCESS TARIFF FILING**

#### **DESCRIPTION AND JUSTIFICATION**

The issuing carrier of this Interstate Traffic Sensitive Access Tariff is UTELCO, Inc., a subsidiary of TDS Telecommunications Corporation (TDS TELECOM). The accompanying tariff material is being filed by UTELCO, Inc. in order to comply with the rules and regulations of the Federal Communications Commission (FCC) with respect of CC Docket NO. 00-256, Adopted October 11, 2001, and CCB/CPD 01-23, Adopted November 26, 2001. This filing is being made on fifteen days notice pursuant of Section 204(a)(3) of the Communications Act of 1934 as amended and December 17, 2001 MAG Access Charge Tariff Filings, CCB/CPD 01-23

UTELCO, Inc. Tariff F.C.C. No. 1 cross-references the National Exchange Carrier Association (NECA) Tariff No. 5 and differs from that tariff only with respect to End User Access Service rates. UTELCO, Inc. has filed this tariff to enable it to charge its subscribers end user access service rates based on the Company's costs to the extent that such rates are less than the cap.

#### **COST SUPPORT**

This filing uses as its initial basis the Common Line revenue requirements derived from cost studies based on budgeted 2001 and 2002 financial data prorated to determine projected access revenue requirements for the twelve-month period ending June 30, 2002 tariff period. Tariff period investments balances reflect an average of the 2001 and 2002 study results while tariff period expenses and taxes are one half of 2001 study results plus one half 2002 study results. The 2001 and 2002 cost studies utilized Part 36 and Part 69 allocation factors generated from the 2000 cost study, adjusted for known changes that effect the tariff period.

In compliance with CC Docket No. 00-256, Adopted October 11, 2001, adjustments were made to the forecasted Common Line revenue requirement to:

- 1) Assign line port costs from local switching to Common Line and
- 2) Distribute revenue requirement associated Transport Interconnection Charge (TIC) to other access elements.

The National Exchange Carrier Association (NECA) provided the line port costs and TIC revenue requirement assigned to Common Line. Per NECA, line port costs of \$118,639 was moved from Local Switching to Common Line. Also per NECA, \$131,830 of TIC revenue requirement was allocated to Common Line.

#### **DEMAND SUPPORT**

End User demand was based on forecasted access line counts for the twelve-month period ending June 30, 2002. For this filing, forecasted Basic Rate Interface and Primary rate Interface ISDN lines were separately identified in order to calculate the difference in End User Common Line (EUCL) revenue billed under current and proposed rates.

## **SUMMARY**

The access rates modification submitted in this filing reflect the increase of Residence and Single-Line Business EUCL to the capped rate of \$5.00. The proposed Multi-Line Business EUCL rate of \$7.28 is based on projected annual revenue requirement for Common Line divided by the projected number of access lines for the tariff period. The Basic Rate Interface ISDN EUCL rate is filed at the Single-Line Business EUCL rate. The Primary Rate Interface ISDN EUCL rate is filed at five times the Multi-Line Business EUCL rate. The proposed EUCL rates result in an estimated \$258,904 increase in charges to End User subscribers.